



**Finance Issues Facing the  
Interoperability Montana Project  
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**T**he Interoperability Montana (IM) Project has grown out of the need for improved wireless public safety communications and the success of two Concept Demonstration Projects (CDPs) initiated in Montana since 2002. The idea of a connected and compatible statewide Public Safety Land Mobile Radio System (LMR) in Montana has been discussed and studied for over 20 years.

The need for LMR ‘interoperability’ of local, state, tribal and Federal agencies for both day-to-day and significant events is critical. Currently the State of Montana has a limited interoperability capability consisting of statewide mutual aid frequencies operating in simplex mode. For normal, localized incidents, this works well but falls short of interoperable communications needs for large-scale incidents.

Following recent disasters, the federal government began distributing funding to local governments and states through the Department of Homeland Security for preparedness and response activities. The State of Montana, Disaster and Emergency Services (DES) Division of the Department of Military Affairs has the responsibility for coordination of the Montana Homeland Security Senior Advisory Committee, (appointed by the Governor) and serves as the State Administrative Agency (SAA) for the Department of Homeland Security, Office of Domestic Preparedness (ODP).

Two projects were designated as CDPs by the State Interoperable Executive Council (SIEC).

**CDP#1** – Southwest Interoperability Project in Lewis and Clark County, demonstrated digital/trunking technology with a deployed, county-wide system involving all responders with a public safety radio. This system set the standard for utilizing new technology in communication and is presently operational

**CDP#2** – the Northern Tier Interoperable Project, developed a strategy that built upon a network of law enforcement agencies that were linked to all public safety agencies along the Canadian border with the Lewis and Clark County system. This formed the foundation of future public safety agency statewide planning.

As a result of funding priorities given to regional and state-wide communications planning, Montana counties and Indian nations formed into regional consortia for the purpose of planning and infrastructure development. These consortia were modeled after the Northern Tier Interoperability Consortium, which was established in 2004 by 12 counties and 4 tribes to address communications deficiencies for law enforcement agencies and other emergency responders along the Canadian border. This group, in partnership with the State of Montana, developed a communications plan and is currently in the final stages of completing the Northern Tier Interoperability Project, which will begin to become operational during the Fall of 2007.

### **Funding and Resources**

Funding for the Interoperability Montana (IM) Project initially came from FEMA and Homeland Security Grant Programs. Additional funding is now coming from FEMA fire grants, state and other federal agencies. The Montana Legislature is actively involved in the funding of the Interoperability Montana (IM) Project. Development of this system is a partnership of local, tribal, state, and Federal resources. Sites owned by public agencies and private individuals are part of this process. The State of Montana and the IM Project Directors have signed a Memorandum of Understanding (MOU) agreement with the Department of Interior for site and resource sharing. Similar agreements are being developed by the IM Project with the U.S. Air Force which is contributing approximately \$1.9 million toward the IM Project and with the National Park Services (NPS) for developing a site that will be located within Glacier National Park and the Blackfeet Reservation that will be used by the IM Project.

Currently, the State of Montana through the Department of Administration, Information Technology Services Division, Public Safety Services Bureau, has in the Governor's 2008-2009 Biennium budget an \$8.5 million appropriation for the IM Project with \$3.5 million of this appropriated for a second Master Control Site to be located in Eastern Montana, the precise location to be determined. The other \$5 million is for a broad scope of project needs. The 2005 legislature approved \$3.5 million for the Northern Tier Project. Over \$40 million in Homeland Security and FEMA grants have been used for interoperable communications in Montana since 2001.

Future funding is expected to be from a combination of local and state funds from the Office of Domestic Preparedness State Homeland Security Grant Program and Law Enforcement Terrorism Prevention Program. Potential funding sources may include:

- Federal appropriations,
- Federal grants, including Department of Justice and Department of Transportation,
- State of Montana appropriations, special revenue accounts, and/or user fees.

The Interoperability Montana Project has developed a number of important agreements and Memoranda of Understanding (MOU) at multiple levels to ensure the project moves forward in a best practice methodology; these include:

- Consortium Memorandum of Understanding: Agreements that formed the consortia and Board of Project Directors, signed by local agencies;
- Memorandum of Partnership Agreement: MOU that defines the responsibility and participation by partners, including the State of Montana, IMPD, U.S. Air Force and National Guard;
- Memorandum of Agreement (State of Montana and U.S. Department of Interior): An agreement that allows IM system sharing with DOI agents and the sharing of DOI radio sites and frequencies;
- Site Use Agreement: The document that outlines the rights and responsibilities of radio users at a particular site;
- Site Lease Agreement: The document that legally defines the term of leases for land, shelters and towers for the project;
- Equipment Acceptance Agreement: The document that local or state/tribal officials sign accepting ownership of the equipment purchased with Homeland Security money and guarantees use by the IM project.

### **Estimated Cost**

While the current projected cost to design, develop and implement an interoperable radio and data system of this nature and scope has been in excess of \$150 million dollars, system “savings” have already been achieved. For example, tower infrastructure costs have been considerably less because consortium “partnerships” have demonstrated a need for fewer infrastructures to serve a Montana-wide system than would serve 56 individual county and 7 tribal reservation systems. State of Montana agencies have also agreed to maintain the vital microwave system. Continued system sharing and partnerships are cornerstones for this process.

Anticipated Projects will include cost categories for Project Management, Administrative Staffing, Build-out of the system, Network Management including regional dispatch centers, Maintenance and Operation, Training and Equipment which will include radios, base stations and subscriber units.

The following represents ‘potential’ procurements during 2007/2008 in support of the IM Project, if adequate local/state/federal funding is realized.

- Frequency Acquisition: Up to \$250,000 could be expended for obtaining VHF and microwave frequencies;
- Radio Site Infrastructure: Up to four million dollars of site upgrade and security may be completed;
- Microwave System Equipment: Up to \$2 million may be invested into digital microwave equipment;
- VHF Trunked Radio Equipment: Up to \$3 million to deploy trunked radio equipment throughout the state;
- Second Master Control Site: Up to \$3.5 million to establish a second Master Control Site;
- VHF Subscriber Units: Up to \$3.5 million of subscriber units may be purchased by local and State of Montana agencies in association with this project.
- Project Management: Up to \$1.6 million for miscellaneous project management activities;
- Planning: Up to \$250,000 for developing long-term strategic plans;

### **IM Project Funding**

The State of Montana is committed to develop a statewide plan that establishes a formalized governance structure to sustain the statewide radio system and proposes a recommended continuous funding mechanism for on-going maintenance, operations and expansion. The funding structure would meet certain goals, identify types of revenue sources, and recognize funding needs and priorities to support the IM Project. Costs that will be incurred will be: Administrative, Build Out for the System, Capital Improvements, Maintenance & Operations, Repair and Replacement of radios, Technological Advances and Training and Exercises.

Lewis and Clark County Sheriff Cheryl Liedle, IM Project Directors Chairperson, on behalf of the IM Project, submitted a congressional budget request through Senator Baucus, for \$100 million over a four-year period. This request is being coordinated with Senator Tester and Congressman Rehberg. The appropriations request is for funding to complete the Northern Tier Interoperability Project and to continue the build-out of the statewide IM Project. This would include site acquisition, microwave development, SPECTRUM and radio subscriber unit acquisitions.

**Administration:** The future plan includes an Interoperability Coordinator that is a point of contact for the project that the Department of Homeland Security expects each state to have.

**Operations & Maintenance:** for system build out which would include towers, repeaters, shelters, programming of equipment and repair and replacement. When the project is completed statewide, it is estimated that annual ongoing maintenance costs will be between \$1,200,000 and \$1,600,000. The funding for this maintenance will come from a combination of sources, to include but not exclusively, State of Montana funding, federal grants, local and tribal contributions, federal user fees and other sources.

### **Risk Summary**

- **Lack of Adequate Funding to Build Infrastructure:** The amount of money required to build a ‘state-wide’ infrastructure will exceed \$100,000,000. That amount is not available at this time. The IM Project will require construction in phases, relying on federal and state appropriations and grants along with local and tribal funding.
- **Lack of Adequate Funding for Maintenance:** Once a ‘state-wide’ system is built, a consistent funding stream will be required for maintenance.
- **Local Ownership of Sites and Equipment:** Because Homeland Security funds require that 80% of money goes to local projects, equipment purchased with this money is placed in county/municipal ownership. Memoranda of Understanding and other agreements ensure shared use. The IM Project, Department of Emergency Services and the Public Safety Services Bureau, along with Project Manager Northrop Grumman Corporation, have developed a system to track ownership of equipment. This system also documents site lease agreements and site use agreements that are critical to the project. Agreements are in effect for a minimum of 10 years.

<b>Funding Goals</b>	<b>Types of Revenue</b>	<b>Funding Needs</b>	<b>Priorities</b>
Constant &/Secure funding streams	Revenue sharing from other sources	Administration	Establish constant revenue/funding for IM Project
Meet programs needs	Consortia/Regional funding districts	System Build Out	Minimize local system user fees
Allow for future technological advances	Grants, public/private partnerships, State & Federal Partners	Maintenance Repairs and Replacement	Define approximate costs to local governments
	Legislative Funding	Training & Exercises	
		Capital Improvements	

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